

Should journalists write about companies they own shares in? In Hong Kong they do. (New publication)

 blogs.lse.ac.uk/polis/2013/02/18/should-journalists-write-about-companies-they-own-shares-in-in-hong-kong-they-do-new-research/

2013-2-18



Are markets like Hong Kong being reported ethically?

Major scandals involving business journalists are rare, but they do happen. In London, journalists on the infamous Daily Mirror City Slickers column were found [guilty of market manipulation](#) in 2005

In an infamous case in New York, Foster Winans was convicted of insider trading back in 1985. And periodic questions are raised about behaviour that whilst not criminal may be considered unethical in journalistic terms. In 2008 Jon Stewart took apart CNBC's Jim Cramer for allegedly recommending Bear Stearns despite an apparent conflict of interest, and Cramer's colleague Maria Bartiromo was criticised for accepting gifts from company executives. The financial crisis has led to [widespread handwringing](#) among business journalists.

These questions raise some interesting general issues about the extent to which business journalists themselves feel they have an ethical responsibility, to whom they have a responsibility, and whether there are global norms of journalistic ethical responsibility.

Over the past few years, in between various other projects I have conducted more than 50 in-depth interviews with journalists on three continents, in order to find out from their perspective how they deal with the pressures of being a business journalist, and whether they have an agreed ethical approach.

At the worst point in the financial crisis of 2008 I wrote [a Polis report called What Is Financial Journalism For?](#) which looked at the ethical background.

This week, [my research on business journalism Hong Kong is published](#). The fascinating thing I found in that city is that whilst scandals of the City Slickers/ Foster Winans variety are unheard of in Hong Kong, it seems to be entirely normal for business journalists to trade actively and openly on the newsroom.



The [paper](#) gives a full analysis of the interviews. Here is a flavour:

Q: what about trading in securities? Do you trade?

Journalist 4. Yes. Everyone does

Q which kind of shares?

Journalist 4. Various kinds? Insurance. Some stocks. I can't remember the English name. ... and some others.

Q and what happens if you have to write about these companies you have shares in?

Journalist 4. If I have shares .. actually I would just write on what is relevant for investors to be aware of.. even .. in some kind of IPO you might see some kind of financial data maybe.. not as good as the management are saying like you might have some kind of margin level that is already declining but they might say there is a good future. I would write about that.

Is this illegal in Hong Kong? No, but active trading could involve illegal market manipulation and insider trading. But such behaviour would be likely to breach the [Hong Kong Journalists ethics code](#).

My [research](#) doesn't go into the deeper questions about what this reveals about the journalist's sense of their responsibility to readers, owners and to themselves, nor the sensitive issue of whether Hong Kong journalists should be subject to law enforcement, but the evidence speaks for itself.

This article by [Dr Damian Tambini](#)

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